



**Training Proposal for:
Boston Scientific Corporation
Agreement Number: ET10-0254**

Panel Meeting of: **October 23, 2009**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

PROJECT PROFILE

Contract Type: Priority/Retrainee Industry Sector(s): Biotechnology/Life Sciences

Counties Served: Santa Clara and Alameda

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 1,486

No. Employees Worldwide: 24,800

Turnover Rate	Manager/ Supervisor
10%	20%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$495,000	\$0	\$495,000

In-Kind Contribution
\$725,653

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills Management Skills	500	24-200	0-66	\$990	\$14.18
				Weighted Avg: 55			

Minimum Wage by County: \$14.18 for Alameda and Santa Clara counties.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Production Worker	
Administrative Staff	
Engineer	
Scientist	
Supervisor	
Manager	

INTRODUCTION

In this proposal, Boston Scientific Corporation (Boston Scientific) seeks funding for retraining as outlined below:

Target Therapeutics, Inc., a wholly-owned subsidiary of Boston Scientific, located in Fremont, along with another subsidiary located in San Jose, is requesting funds to retrain 500 workers involved in the manufacturing of medical devices. Such devices include imaging catheters (coated and uncoated) and micro-delivery stents to treat diseases of the human vascular and neurovascular systems.

Boston Scientific, the parent company, was founded in 1978, and will serve as the primary ETP contractor. Another subsidiary, Boston Scientific Neuromodulation in Valencia, also has a current ETP Agreement. However, this is a separate manufacturing facility for a different product. This proposal is the first ETP-funded training program serving workers at the manufacturing facilities in Fremont and San Jose. Both plants produce disposable and implantable medical devices used to treat diseased, ruptured, or blocked blood vessels. The

company's flagship products include NeuroForm® and Wingspan® Stent Systems to treat brain and/or neck aneurysms; other products include the Taxus Express Coronary Stent System®, AID Automatic Implantable Defibrillator®, and the Ventak Implantable Cardioverter Defibrillator®. These products help physicians treat a variety of diseases and improve patients' quality of life by providing alternatives to surgery and other medical procedures that are typically traumatic to the body.

The global demand for such products is tied to the increase in heart disease and related neurovascular medical issues worldwide. To meet rising demand and, at the same time, continue to meet a highly exacting and complex design, testing, and manufacturing processes due to strict regulatory requirements, Boston Scientific must have a well-trained workforce that can understand and follow specific quality protocols and manufacturing procedures. In addition, the company is committed to a high performance workplace where its employees are involved in product design, reduced factory time from design to market, and improved quality.

PROJECT DETAILS

Boston Scientific is requesting the Panel's assistance to provide between 24-200 classroom/laboratory and CBT training hours in the following areas:

Continuous Improvement The introduction of new products under exacting FDA requirements puts increasing pressure to improve design cycles and meet customer requirements. Company representatives state that its goal in 2010 will be to build on the success of its current continuous improvement programs by implementing the next stage of its quality measurement and analysis processes and tools. Titled "Manufacturing Excellence" this next stage will include delivering courses across the trainee population in LEAN manufacturing techniques that will teach employees how to reduce costs, to become more effective in their job, to find root causes of problems, and other tools used to run an efficient manufacturing operation.

Computer Skills Boston Scientific is implementing improved information technology systems to support increased manufacturing volume and product upgrades. ETP-funded training will be provided on a variety of systems ranging from desktop applications such as advanced levels of Microsoft .Net, java, C++, and visual basic applications to the company's in-house business computer applications for inventory, account management, and manufacturing control. Training will also cover the implementation of an upgraded Enterprise Resources Planning (ERP) and Customer Relationship Management (CRM) system as well as a Manufacturing Executions System (MES) which will transition Boston Scientific to a paperless system for device history records, training records, and Product LOT history. All basic desktop training such as Microsoft Word, Excel, and PowerPoint will be delivered at the company's own expense.

Business Skills According to company representatives, some of the employees at the Fremont and San Jose facilities lack the business skills required to successfully introduce new and sophisticated biotech products. Such skills include: technical writing, how to manage projects, marketing communications, finance, and preparing effective oral and written presentations to customers. FDA regulations, including the complexity of the company's products and business transactions, dictate that on-time delivery and order accuracy must also be achieved. Business skills training will improve the company's service, delivery time, and order accuracy. Product knowledge and marketing techniques training will also be delivered to employees interacting with customers worldwide to expand sales to a growing global customer base.

Manufacturing Skills In addition to providing production workers with continuous improvement skills, Boston Scientific must ensure that manufacturing employees are trained in the latest machine operations, protocols, diagnostics, instrumentation, and calibration. Manufacturing skills training will be taught by a combination of highly skilled internal production supervisors, chemists, scientists, technicians, and/or engineers. These instructors will oversee an employee's use of special biotech equipment which will provide the employee highly transferable skills to other biotech employers.

Management Skills The company reports its practice has been to promote internal employees, including scientists, chemists, engineers, and other administrators into management positions. Many frontline workers need management skills training in order to coach and communicate with their staff. Training will provide managers and supervisors with leadership, coaching, facilitation, and conflict management skills to help create a high-performance workplace which involves frontline workers in decision-making and problem-solving.

Commitment to Training

Boston Scientific represents that ETP funds will not displace the company's existing financial commitment to training. The company reports that its current training budget for California non-ETP related training is in excess of \$750,000. On-going training includes basic instruction and orientation training already provided by the company. In addition, Boston Scientific currently funds all training in OSHA and FDA-mandated safety regulations, sexual harassment prevention, rudimentary job skills, basic Microsoft Word, Excel, and PowerPoint training, and executive development programs. The company will continue to provide this training during the ETP Agreement and will also fund all training over 200 hours.

Boston Scientific represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

DEVELOPMENT SERVICES

The company also retained Herrera & Company in Stockton to assist with development of this proposal for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

The company has retained Herrera & Company in Stockton to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24-200

Computer Skills

Management and Manufacturing Control Systems
Single-Vendor Enterprise Resources Planning
Customer Relationship Management Systems
Operating System Programming Language
Advanced Desktop Applications
Materials and Logistics Software Development

Business Skills

Technical Presentations
Customer Communications and Awareness
Communicating Across Cultures
Market Validation and Decision Modeling
Sales and Negotiation Skills
Finance and Accounting Skills
Marketing Promotion and Position

Manufacturing Skills

Manufacturing Process Cross-Training
Machine Operations, Calibration, and Maintenance
FDA Manufacturing Procedures and Protocols
Production Line Tools and Techniques

Management Skills (Managers/Supervisors Only)

Effective Change Management Skills
Keys To Technical Leadership

Continuous Improvement

Manufacturing Excellence Systems (MES)
Manufacturing Quality and Reliability
Process and Capability Mapping
Quality Fundamentals/Core Skills
Process Improvement Training
Problem Solving Tools and Techniques
Lean Manufacturing
Effective Leadership and Teambuilding
Technology For Creating Ideas
Team Development
Technical Business and Finance Management
Effective Leadership and Teambuilding

CBT Hours

0 - 66

Computer-Based Training

Computer Skills

Management and Manufacturing Control Systems (4)
Single-Vendor Enterprise Resources Planning (2)
Customer Relationship Management Systems (2)
Advanced Desktop Applications (4)

Business Skills

Customer Communications and Awareness (2)
Sales and Negotiation Skills (4)
Finance and Accounting Skills (2)
Marketing Promotion and Position (4)

Management Skills (Managers/Supervisors Only)

Keys To Technical Leadership (8)
Technical Business and Finance Management (8)

Continuous Improvement

Quality Management Systems (QMS) Procedures (2)
Manufacturing Quality and Reliability (4)
Process and Capability Mapping (4)
Problem Solving Tools and Techniques (2)
Effective Leadership and Teambuilding (4)

Manufacturing Skills

ADC Production System Document Review (1)
FDA Manufacturing Procedures and Protocols (.5)
ADC Machine Instrumentation and Troubleshooting (1.5)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of delivery method. CBT can not exceed 50 percent of the total hours per trainee.